B5350-2A

The Manufacturers Hanover
Financial Digest
Weekly Commentary, Selected Financial Data, and Business Indicators

MONDAY, JANUARY 23, 1984 VOLUME XXI, NUMBER 3

The Big Apple Remains Ripe . . .

At first glance, the recovery of New York City's economy from the 1981-82 recession appears to have been less vigorous than that of the nation as a whole. But first appearances can be deceiving. This is because New York's economy is less dependent on such cyclically-sensitive industries as autos and steel which usually rebound sharply in the early stages of a business upturn. What is more, while the recovery may be moderate, so, too, was the recession: It left the city almost unscathed.

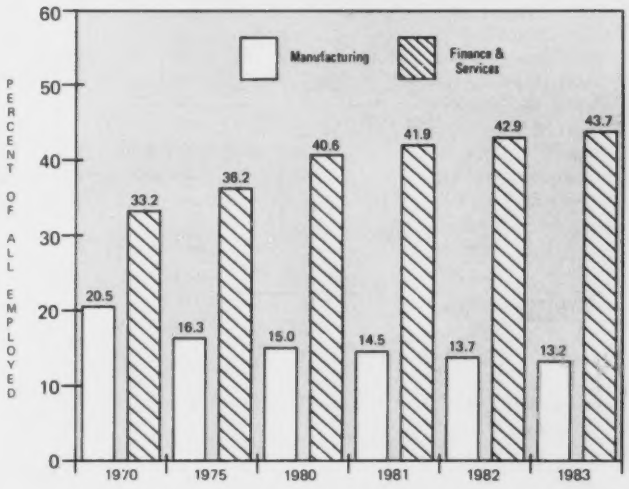
After a slow start in early 1983, the New York City economy moved toward recovery during the latter part of the year. Total employment began to rise, purchasing power of workers improved as the rate of inflation diminished, retail sales surged and the jobless rate declined from 9.1 percent in December, 1982 to 7.8 percent one year later. Another positive sign comes from the Comptroller's office. It has just reported that tax revenues in the first five months of fiscal 1984 (which began last July 1) were running $302 million higher than tax collections in the comparable period of fiscal 1983. Such cyclically-sensitive taxes as sales, personal income and corporate, increased at a 14 percent annual rate during the period, three percentage points higher than the Comptroller projected—not to mention far better than the rise in Federal receipts.

New York's recent experience is in sharp contrast with the painful fiscal crisis it encountered in the mid-1970s. At that time, total employment declined at a rate of about 64,000 jobs a year, population fled to the suburbs and many businesses relocated their headquarters to areas where land, construction costs and tax rates were more attractive. New York was viewed as too big and too old to accommodate the demands of modern society and business. The unemployment rate surged to 11.2 percent in 1975—a trend which was not reversed even by the strong national recovery which followed the 1973-75 recession.

. . . For An Economic Expansion . . .

By 1977, the city's economy began to turn around in the areas where it had a competitive advantage. Some of the same factors that contributed to New York's economic problems began to be viewed as unique economic advantages. For example, the suburbs which had drained some of the city's population, became a huge marketplace within a radius of 60 miles—inhabited by 20 million people with a total buying power of some $150 billion a year.

CHANGES IN EMPLOYMENT COMPOSITION IN NEW YORK CITY



Indeed, fueled by the growth of the banking, securities and insurance industries, the city's economic resurgence began in earnest in the late 1970s. Since 1977, the finance, insurance and real estate sector alone added more than 80,000 jobs—an increase of 19.4 percent. Today, this sector employs more people than all of the city's manufacturing industries. One in every seven jobs in New York City is now derived from these activities, in sharp contrast with the one in 18 employed in them nationally.

So, too, New York has become an important international finance and trade center. According to a survey study by New York University Graduate

Copyright 1984
Manufacturers Hanover Trust Company
270 Park Avenue, New York, N.Y. 10017

School of Business Administration, an estimated 266,000 jobs are now directly or indirectly related to foreign firms operating in New York City. These provide employment for more than eight percent of the city's total work force. Almost 200 foreign banks now have offices or branches in the city, as do a number of U.S. banks whose headquarters are in other states.

. . . Especially In Services

Put simply, the city's transition from a manufacturing to a service-oriented economy has been dramatic—and timely. Manufacturing now accounts for only 13 percent of all jobs while finance and service positions represent almost one-half of the city's employment (see chart on page 1). Although the United States reports a similar pattern, the shift from manufacturing to a service-based economy nationwide has been much more subdued. Manufacturing employment, for example, decreased nationally from 24 percent in 1975 to 21 percent in 1983, while those associated with finance, insurance and real estate and other services increased from 23 percent to 28 percent in the same period.

It should be pointed out that with almost half a million factory jobs at the end of last year, New York City is still the third largest center of manu-

Selected Federal Reserve Data

(Averages of Daily Figures—Billions of Dollars)

	Week Ending 1/11/84	$ Change Since Week Ago	$ Change Since Year Ago
Reserve Bank Credit			
U.S. Gov'ts and Agencies Owned Outright & RPs	162.358	– .117	+17.539
Loans to Depository Inst.	.563	– .734	+ .138
Float	1.994	– .113	– .924
Total Reserve Bank Credit	173.547	– 1.292	+15.589
Treasury Deposits with Federal Reserve Banks	3.458	+ .022	+ .543
Currency Outside Banks	150.777	– 1.558	+14.143
Member Bank Reserves:			
Required	38.990	– .189	– 2.000
Excess (Deficiency)	.701	– .238	+ .410
Total Reserves Held	39.691	– .427	– 1.590
Net Free Reserves	.209	+ .489	– .179
Gov'ts held for Foreign Acct. by F.R. Banks (End-of-Week)	112.389	– 1.797	+ 6.192

Monetary Aggregates †		% Change Since Three Months Ago*	% Change Since Year Ago
M1	526.1	+ 3.6‡	+ 9.1‡
M2 (December '83)	2,184.7	+ 7.3	+ 11.5
M3 (December '83)	2,599.7	+ 8.8	+ 9.3
Domestic Nonfinancial Debt (3rd Q'83)	5,072.0	+ 11.2	+ 10.4

†Seasonally adjusted.

*Seasonally adjusted annual rate.
‡Four-week moving average.

New York Money Market

Offering Rates 1/20/84	3 Months	6 Months	1 Year
‡U.S. Treasury Bills	8.90%	8.90%	9.05%
* Federal Agencies	8.85	9.30	9.80
* Project Notes—Taxfree (46% Taxable Equivalent)	9.63	9.72	10.19
Negotiable Time CDs Manufacturers Hanover	Rates By Arrangement		
* Secondary Market—Prime	9.42	9.55	10.05

‡Finance Company Paper—Prime		‡* Bankers' Acceptances	
5- 14 days	9.25%	Feb.	9.25%
15- 29 days	9.25	Mar.	9.25
30- 59 days	9.25	Apr.	9.25
60- 89 days	9.20	May	9.25
90-179 days	9.13	Jun.	9.25
180-239 days	8.80	Jul.	9.20
240-270 days	8.80		

‡Industrial Paper—Prime		†Federal Funds	
30- 89 days	9.20%	Effective Rate	9.45%
90-120 days	9.15		

‡Discount basis. * Subject to availability. † Estimated.

Selected Business Indicators

(All Dollar Figures in Billions)

	Latest Period or End of Period		Previous Period	Year Ago Period
Gross National Product (Current Dollars)*	4th Q'83n	$ 3,432	$ 3,362	$ 3,110
Gross National Product (1972 Dollars)*	4th Q'83n	$ 1,571	$ 1,553	$ 1,481
Percent Change, Annual Rate	4th Q'83n	4.5	7.6	– 1.3
Change in Consumer Prices (new series)*	Nov '83	3.6%	4.8%	0.0%
Change in Producer Prices*	Dec '83	2.4%	– 2.4%	3.6%
Civilian Employment (Thousands of Persons) †	Dec '83	102,941	102,606	98,979
Unemployment as % of Civilian Labor Force †	Dec '83	8.2%	8.4%	10.7%
Personal Income*	Dec '83n	$ 2,857	$ 2,833r	$ 2,645
Leading Indicators Composite Index (1967=100)†	Nov '83	161.8	162.4	139.4
Industrial Production Index (1967=100) †	Dec '83	156.9	156.1	135.2
Net Change in Consumer Installment Credit †	Nov '83	$ 4.67	$ 4.89	$ 2.02
U.S. Merchandise Trade Balance †	Nov '83	–$ 7.40	–$ 8.97	–$ 3.89
Plant and Equipment Expenditures*	1st Q'84	$323.07(a)	$321.60(a)	$293.03
Private Housing Starts (Thousands of Units)*	Dec '83n	1,667	1,755r	1,280
New Construction Expenditures*	Nov '83	$ 271.9	$ 271.9	$ 243.7
Total Business Inventories †	Nov '83n	$ 518.0	$ 516.0r	$ 513.9
Total Business Sales †	Nov '83n	$ 387.2	$ 382.2r	$ 338.7

*Seasonally adjusted annual rate. †Seasonally adjusted. n-Newly reported figure. r-Revised. a-Anticipated.

facturing in the nation—and a source of employment to both skilled and unskilled workers. It trails only Los Angeles-Long Beach and Chicago. Such manufacturing cities as Detroit, by contrast, employ less than 440,000 factory workers.

Nondurable goods manufacturing provides four out of five manufacturing jobs in New York. The apparel industry—the city's largest manufacturing employer—employs nearly four out of every ten workers in softgoods manufacturing, while printing and publishing—the next largest manufacturing industry—employs one out of every four nondurable manufacturing workers.

Although the borough of Manhattan benefited substantially from the shifting composition of New York City's economy, emerging as a national and international center of business and finance, it still remains an important center of New York City's manufacturing employment. More than half of all manufacturing jobs are located in Manhattan. The borough of Brooklyn—the second largest manufacturing industry center in the city—provides only one out of five of the city's factory jobs. This suggests that, despite the increasing importance of the service sector, millions of New York City residents will continue to have an important stake in the health of industrial America. H

Short Term Paper Outstanding

(Millions of Dollars)

	Latest Week	Change Since Week Ago	Change Since Year Ago
Negotiable Time CD's Weekly Reporting Banks			
Nationwide (12/28/83)*	91,746	+ 1,824	–40,843
New York City (12/28/83) *	19,001	+ 480	–16,611
Commercial Paper (1/4/84)	184,018	+ 1,078	+18,470

Bank Loans

(Millions of Dollars)

Commercial and Industrial Loans

Weekly Reporting Large Commercial Banks	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (12/28/83) *	221,670	+ 2,012	+ 4,250
New York City (12/28/83) *	58,793	+ 825	– 1,957

Total Loans Gross Adjusted

	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (12/28/83) *	532,756	+ 2,743	+24,316
New York City (12/28/83) *	122,148	– 330	+ 2,663

*Due to changes in reporting procedures the Federal Reserve has delayed the release of the January 4, 1984 data.

Financial Markets

	Friday 1/20/84	Change Since Week Ago	Change Since Year Ago
U.S. Governments, Closing Yields:			
90-Day Bills†	9.25%	+ .20	+ 1.50
180-Day Bills†	9.60	+ .23	+ 1.65
Longest Bills†	9.92	+ .25	+ 1.67
Recent Issues:			
10⅞s 12/31/85	10.58	+ .13	
11¼s 12/31/87	11.13	+ .08	
11¾s 11/15/93	11.63	+ .08	
12s 8/15/13	11.70	+ .05	
Municipals:			
Bond Buyer–20 Bond Index* (1/19/84)	9.60%	– .07	+ .23
Blue List Total ($ Million)	$1,150	+ $ 6	+ $193
30-Day Visible Supply ($ Million)	$1,828	– $628	+ $202
Total	$2,978	– $622	+ $395
Corporates:			
Moody's Aa Composite (1/19/84)	12.72%	+ .01	+ .45
30-Day Visible Supply ($ Million)	$ 984	+ $384	+ $704
Stocks:			
Dow-Jones Averages:			
Industrials	1,259.11	– 10.99	+ 178.26
Transportation	596.45	– 6.51	+ 128.77
Utilities	130.39	– 3.91	+ 5.76
65 Stocks	501.68	– 6.08	+ 77.34
Standard and Poor's 500 Stocks	166.21	– .81	+ 19.56
N.Y.S.E. Composite Index	96.12	– .54	+ 11.45
N.Y.S.E. Avg. Daily Vol. for Week (000's)	97,346	– 6,098	+ 2,534

* 46% Taxable equivalent 17.78%.

† Bond equivalent.

International Rates

EURODOLLAR DEPOSIT RATES (bid)	Friday 1/20/84	Week Ago
Overnight	9.38%	9.25%
1 month	9.50	9.56
3 month	9.69	9.75
6 month	9.88	9.88
1 year	10.19	10.38
EURODOLLAR BONDS Average Yield		
Medium Term (5 to 7 yrs.)	11.45%	11.50%
Long Term (7 to 15 yrs.)	11.65	11.65

FOREIGN EXCHANGE SPOT RATES

New York Opening (1/20/84)	U.S. $ Equivalent	Currency Per U.S. $
Belgium	.01753	57.05
Canada	.8033	1.2448
Denmark	.09877	10.1250
France	.1169	8.5515
Germany	.3579	2.7938
Italy	.0005869	1703.80
Japan	.004282	233.55
Mexico	.006070	164.75
Netherlands	.3184	3.1405
Switzerland	.4495	2.2245
U.K.	1.4180	.7052

NO POSTAGE
NECESSARY
IF MAILED
IN THE
UNITED STATES

BUSINESS REPLY MAIL
FIRST CLASS PERMIT NO. 3455 NEW YORK, N.Y.

Postage Will Be Paid By Addressee

MANUFACTURERS HANOVER TRUST COMPANY
ECONOMICS DEPARTMENT
270 PARK AVENUE
NEW YORK, NEW YORK 10017

A

Do you wish to continue receiving our FINANCIAL DIGEST?

If you wish to continue receiving the weekly Financial Digest, please return this entire back page by February 10, 1984. If you wish to change the way we are addressing you, simply mark the change on the label, below.

When returning this entire back page, please refold so the top panel (marked A) becomes the mailing side—and the bottom panel (marked C) with your label is folded in. Staple or tape the top of the refolded page.

Thank you,
ECONOMICS DEPARTMENT

IF YOU DO NOT RETURN THIS PAGE BY FEBRUARY 10, WE WILL REMOVE YOUR NAME FROM OUR MAILING LIST.

B

TO PEOPLE OUTSIDE THE U.S. WHO WISH TO REMAIN ON OUR MAILING LIST – please address and return this entire page in your personal or company envelope.

The Manufacturers Hanover
Financial Digest
Bank Window, Church St. Station
New York, New York 10015

First Class Mail
U.S. Postage
PAID
New York, N.Y.
Permit No. 585

IMPORTANT
Want to remain on our mailing list to receive Financial Digest? See above!

C

B5350-2A

The Manufacturers Hanover
Financial Digest
Weekly Commentary, Selected Financial Data, and Business Indicators

MONDAY, JANUARY 30, 1984 VOLUME XXI, NUMBER 4

What Goes Up . . .

The belief both in the U.S. and abroad that the dollar will remain strong through most of 1984 has intensified concern over the domestic and international impacts of a persistently overvalued U.S. currency. Some of these concerns center on the growing difficulty U.S. businesses have in competing in world markets—even in those areas of traditional U.S. dominance. Others are investment-related problems involving surging capital inflows seeking the benefits of very high real interest rates and the security of dollar-denominated assets.

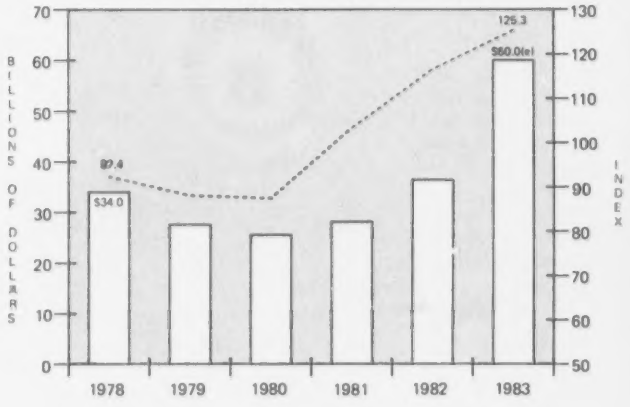
The conditions that caused the dollar to appreciate against the rest of the world's currencies since the end of 1980 are likely to continue for a while longer. Most significant has been the markedly successful reduction in the U.S. inflation rate in the last three years. The rate of rise in U.S. consumer prices has slowed from 13.5 percent in calendar year 1980 to 3.2 percent by 1983, a level comparable to those found in Switzerland and Germany—the countries with the best records in controlling inflation in the postwar period. As a result, the dollar has regained the confidence that foreign investors had in it in the 1950s and 1960s—as they had in the Swiss franc and the German mark in the 1970s, when these currencies were the world's strongest.

Further, since late 1980, U.S. real interest rates have been substantially higher than in the other major industrial countries, including Japan, Germany, Switzerland and the United Kingdom—whose currencies could potentially compete with the dollar as investment repositories. As a consequence of those high real interest rates and in conjunction with growing confidence in U.S. monetary management, world capital flows in the last three years have favored dollar-denominated assets at the expense of assets denominated in competing foreign currencies.

. . . May Stay Up Awhile . . .

It does not appear that the dollar-boosting impact of each of the above factors will soon wane. There are several reasons why U.S. interest rates may continue to exceed the interest yields realized on competing foreign currency investments. First, the U.S. budget deficit is expected to remain high for several more years. Second, the U.S. economy will grow this year at a faster rate than in European countries. Finally, U.S. monetary policy will be at least as firm as in other major industrial countries. Thus, the supply and demand balance for funds in the U.S. will likely be tighter than in the other countries. As a result of the above influences, the dollar has become overvalued. Based on exchange rate and inflation rate changes since 1971, the dollar's overvaluation relative to the currencies of our major trading partners is estimated at around 25 percent.

U.S. MERCHANDISE TRADE DEFICIT (B.O.P. BASIS) <BAR> VS. TRADE WEIGHTED DOLLAR INDEX, MARCH 1973=100 <DOT>



With foreign goods cheaper in dollar terms and U.S. exports more expensive in foreign currency terms, the ability of U.S. producers to compete in international markets has weakened considerably in the past few years. As a result of the dollar's overvaluation, as well as the 1981-82 global recession and the faster economic recovery in the U.S. than in other countries in 1983, U.S. merchandise exports declined by ten percent from $224.2 billion in 1980, when the dollar first started to appreciate strongly, to about $201 billion in 1983. Over the same period, U.S. imports rose from $249.8 billion to an estimated $261 billion, a 4.5

Copyright 1984
Manufacturers Hanover Trust Company
270 Park Avenue, New York, N.Y. 10017

percent increase. Consequently, the U.S. merchandise trade deficit more than doubled from a low of $25.5 billion in 1980 to an estimated $60 billion in 1983 (see chart on page 1). In 1984, the deficit may increase further to $100 billion.

The deterioration in the U.S. trade position is apparent in most export sectors. Our trade balance on machinery, for example, from which the U.S. has usually garnered a strong surplus appears to have shrunk by almost two thirds from $23.9 billion in 1980 to $8.5 billion in 1983. And agricultural exports, which also usually generate a sizable surplus, may have fallen by as much as 25 percent over the same period, largely because foreign grain supplies are abundant and cheaper.

The dollar's overvaluation creates problems in the capital markets as well. Capital flows in pursuit of high interest rates are notoriously unstable. Surging inflows of capital can quickly become surging outflows, creating rapid and violent fluctuations in the foreign exchange markets. Such reversals in the past have tended to overshoot, converting an overvalued currency to an undervalued one.

The overvaluation of the dollar results from strong foreign demand for U.S. financial and real assets,

Selected Federal Reserve Data

(Averages of Daily Figures—Billions of Dollars)

	Week Ending 1/18/84	$ Change Since Week Ago	$ Change Since Year Ago
Reserve Bank Credit			
U.S. Gov'ts and Agencies Owned Outright & RPs	160.457	– 1.901	+15.016
Loans to Depository Inst.	.784	+ .221	+ .319
Float	1.324	– .605	– .619
Total Reserve Bank Credit	171.267	– 2.215	+13.104
Treasury Deposits with Federal Reserve Banks	3.118	– .340	+ .003
Currency Outside Banks	147.572	– 3.205	+12.778
Member Bank Reserves:			
Required	40.559	+ 1.569	– 1.938
Excess (Deficiency)	.544	– .092	– .077
Total Reserves Held	41.103	+ 1.477	– 2.015
Net Borrowed Reserves	.157	+ .301	+ .456
Gov'ts held for Foreign Acct. by F.R. Banks (End-of-Week)	112.119	– .270	+ 1.904
Monetary Aggregates†		% Change Since Three Months Ago*	% Change Since Year Ago
M1	523.6	+ 4.0‡	+ 9.0‡
M2 (December '83)	2,184.7	+ 7.3	+ 11.5
M3 (December '83)	2,599.8	+ 8.8	+ 9.3
Domestic Nonfinancial Debt (3rd Q'83)	5,072.0	+ 11.2	+ 10.4

†Seasonally adjusted. * Seasonally adjusted annual rate. ‡ Four-week moving average.

New York Money Market

Offering Rates 1/27/84	3 Months	6 Months	1 Year
‡U.S. Treasury Bills	8.90%	8.95%	9.00%
* Federal Agencies	9.00	9.35	9.80
* Project Notes–Taxfree (46% Taxable Equivalent)	9.35	9.54	10.19
Negotiable Time CDs Manufacturers Hanover	Rates By Arrangement		
* Secondary Market–Prime	9.35	9.48	10.00

‡Finance Company Paper–Prime

5- 14 days	9.15%
15- 29 days	9.15
30- 59 days	9.20
60- 89 days	9.20
90-179 days	9.15
180-239 days	8.80
240-270 days	8.80

‡* Bankers' Acceptances

Feb.	9.20%
Mar.	9.20
Apr.	9.20
May	9.20
Jun.	9.20
Jul.	9.20

‡Industrial Paper–Prime

30- 89 days	9.15%
90-120 days	9.15

†Federal Funds Effective Rate 9.30%

‡Discount basis. * Subject to availability. † Estimated.

Selected Business Indicators

(All Dollar Figures in Billions)

	Latest Period or End of Period		Previous Period	Year Ago Period
Gross National Product (Current Dollars)*	4th Q'83	$ 3,432	$ 3,362	$ 3,110
Gross National Product (1972 Dollars)*	4th Q'83	$ 1,571	$ 1,553	$ 1,481
Percent Change, Annual Rate	4th Q'83	4.5	7.6	– 1.3
Change in Consumer Prices (new series)*	Dec '83n	3.6%	3.6%	– 3.6%
Change in Producer Prices*	Dec '83	2.4%	– 2.4%	3.6%
Civilian Employment (Thousands of Persons)†	Dec '83	102,941	102,606	98,979
Unemployment as % of Civilian Labor Force†	Dec '83	8.2%	8.4%	10.7%
Personal Income*	Dec '83	$ 2,857	$ 2,833	$ 2,645
Leading Indicators Composite Index (1967=100)†	Nov '83	161.8	162.4	139.4
Industrial Production Index (1967=100) †	Dec '83	156.9	156.1	135.2
Net Change in Consumer Installment Credit †	Nov '83	$ 4.67	$ 4.89	$ 2.02
U.S. Merchandise Trade Balance †	Dec '83n	–$ 6.30	–$ 7.40	–$ 3.66
Plant and Equipment Expenditures*	1st Q'84	$323.67(a)	$321.60(a)	$293.03
Private Housing Starts (Thousands of Units)*	Dec '83	1,667	1,755	1,280
New Construction Expenditures*	Nov '83	$ 271.9	$ 271.9	$ 243.7
Total Business Inventories †	Nov '83	$ 518.0	$ 516.0	$ 513.9
Total Business Sales †	Nov '83	$ 387.2	$ 382.2	$ 338.7

*Seasonally adjusted annual rate. †Seasonally adjusted. n-Newly reported figure. r-Revised. a-Anticipated.

causing them to be bought and sold at prices that may be unrelated to their fundamental value. Such price distortions encourage speculation and discourage sound investment. Further, the high interest rates which have created the huge demand for dollars have tended to strip foreign capital markets of investment funds, forcing up interest rates abroad in a competitive effort to retain these funds for domestic needs and to prevent further deterioration of their currencies against the dollar.

. . . But Not Forever

However, the dollar will not remain overvalued indefinitely. The loss of U.S. jobs and the consequent erosion of demand resulting from falling exports and skyrocketing imports will continue to brake economic growth, reducing the attractiveness of dollar assets. What is more, the rising current account deficit (estimated at over $40 billion in 1983 and perhaps $75 billion in 1984) represents a huge net increase in U.S. obligations abroad. Finally, the growing U.S. trade deficit will stimulate foreign economic growth, increasing the attractiveness of financial assets abroad. Before the end of this year, these trade and investment-related factors may well become sufficiently important to reverse the dollar's upward trend. H

Short Term Paper Outstanding

(Millions of Dollars)

	Latest Week	Change Since Week Ago	Change Since Year Ago
Time Deposits of $100,000 or more Weekly Reporting Banks			
Nationwide (1/11/84)	146,769	– 615	–34,555
New York City (1/11/84)	30,779	– 6	–13,909
Commercial Paper (1/11/84)	183,940	– 82	+18,657

Bank Loans

(Millions of Dollars)

Commercial and Industrial Loans

Weekly Reporting Large Commercial Banks	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (1/11/84)	221,484	– 2,640	NA*
New York City (1/11/84)	58,204	– 1,080	NA*

Total Loans and Leases Gross Adjusted

	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (1/11/84)	572,449	– 5,291	NA*
New York City (1/11/84)	129,133	– 2,140	NA*

*Year ago data not available due to definitional changes.

Financial Markets

	Friday 1/27/84	Change Since Week Ago	Change Since Year Ago
U.S. Governments, Closing Yields:			
90-Day Bills†	9.25%	–0–	+ .98
180-Day Bills†	9.60	–0–	+ 1.08
Longest Bills†	9.83	– 09	+ 1.01
Recent Issues:			
10⅝s 1/31/86 (When Issued)	10.60	NA	
11¼s 12/31/87	11.10	– .03	
11¾s 11/15/93	11.60	– .03	
12s 8/15/13	11.70	–0–	
Municipals:			
Bond Buyer–20 Bond Index* (1/26/84)	9.59%	– .01	– .07
Blue List Total ($ Million)	$1,276	+ $126	+ $187
30-Day Visible Supply ($ Million)	$1,317	– $511	– $482
Total	$2,593	– $385	– $295
Corporates:			
Moody's Aa Composite (1/26/84)	12.69%	– .03	+ .21
30-Day Visible Supply ($ Million)	$ 934	– $ 50	+ $294
Stocks:			
Dow-Jones Averages:			
Industrials	1,230.00	– 29.11	+ 165.25
Transportation	567.15	– 29.30	+ 106.78
Utilities	132.66	+ 2.27	+ 9.04
65 Stocks	488.73	– 12.95	+ 70.42
Standard and Poor's 500 Stocks	163.94	– 2.27	+ 19.43
N.Y.S.E. Composite Index	94.76	– 1.36	+ 11.41
N.Y.S.E. Avg. Daily Vol. for Week (000's)	102,718	+ 5,372	+ 18,192

* 46% Taxable equivalent 17.76%.

† Bond equivalent.

International Rates

EURODOLLAR DEPOSIT RATES (bid)	Friday 1/27/84	Week Ago
Overnight	9.38%	9.38%
1 month	9.56	9.50
3 month	9.69	9.69
6 month	9.88	9.88
1 year	10.25	10.19
EURODOLLAR BONDS Average Yield		
Medium Term (5 to 7 yrs.)	11.45%	11.45%
Long Term (7 to 15 yrs.)	11.65	11.65

FOREIGN EXCHANGE SPOT RATES

New York Opening (1/27/84)	U.S. $ Equivalent	Currency Per U.S. $
Belgium	.01742	57.40
Canada	.8022	1.2466
Denmark	.09791	10.2130
France	.1162	8.6080
Germany	.3554	2.8135
Italy	.0005834	1714.00
Japan	.004272	234.06
Mexico	.006042	165.50
Netherlands	.3158	3.1670
Switzerland	.4461	2.2415
U.K.	1.4052	.7116

Behind this Sign...

. . . you'll find a host of innovative financing, marketing and servicing capabilities to fit today's ever-changing real estate marketplace. As one of the nation's largest mortgage bankers, our products include residential mortgage and construction financing as well as construction and permanent financing for commercial projects.

MHMC marketing capabilities allow us to tailor commitments to the specific needs of both institutional and capital investors, whether it is the sale of residential loans in the secondary market or passthroughs of our mortgage backed securities.

Our mortgage servicing portfolio, now over $9 billion, continues to grow through mortgage originations and the acquisition of servicing from other lenders.

With 25 residential and 3 commercial loan offices across the country, MHMC has the capability to meet the needs of our customers on a national basis. Though rapid growth has propelled us to a leadership role in our industry, our game plan remains basic: to meet the real estate financing needs of our customers and investors.

MANUFACTURERS HANOVER MORTGAGE CORPORATION
27555 FARMINGTON RD. • FARMINGTON HILLS, MI 48018 • (313) 681-7500

A SUBSIDIARY OF
MANUFACTURERS HANOVER CORPORATION

The Manufacturers Hanover
Financial Digest

Bank Window, Church St. Station
New York, New York 10015

First Class Mail
U.S. Postage
PAID
New York, N.Y.
Permit No. 585

006440000123B5 C 039 GARNE0001
SUSAN GARNER
SRI ACQUISITIONS
CONGRESSIONAL INF. SERVICE
4520 E. W. HIGHWAY, SUITE 800
BETHESDA, MD 20814